

FARMLAND

Communications & Stewardship

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Learning Objectives

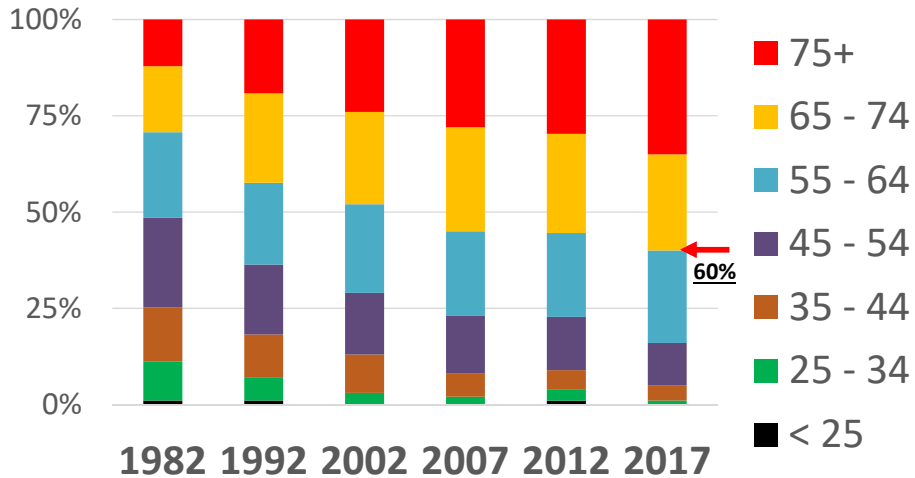
- **Highlight: Iowa Farmland Ownership and Tenure Survey Findings**
- **Discuss the Importance of Communications among Landlords & their Tenant Operators**
- **Highlight the Importance of Agronomic & Stewardship Practices in Maintaining & Improving Farmland**
- **Provide ISU Extension Farmland Resources.**



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Percentage of Iowa Farmland by Age of Owner



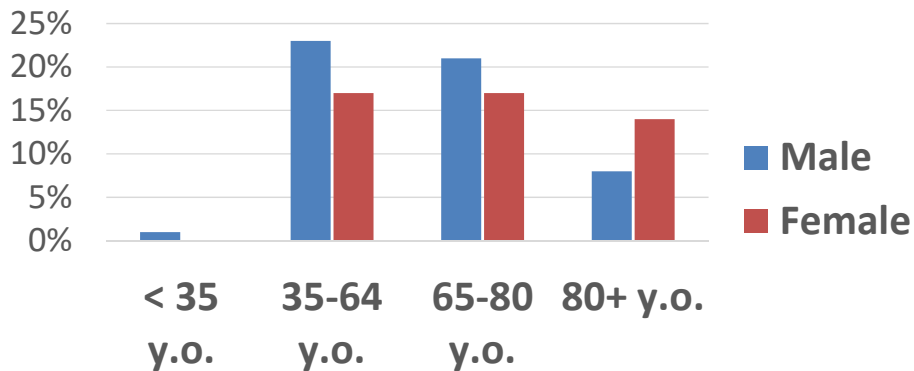
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Percentage of Iowa Farmland by Age and Gender of Owner

47% Owned by Women Landowners

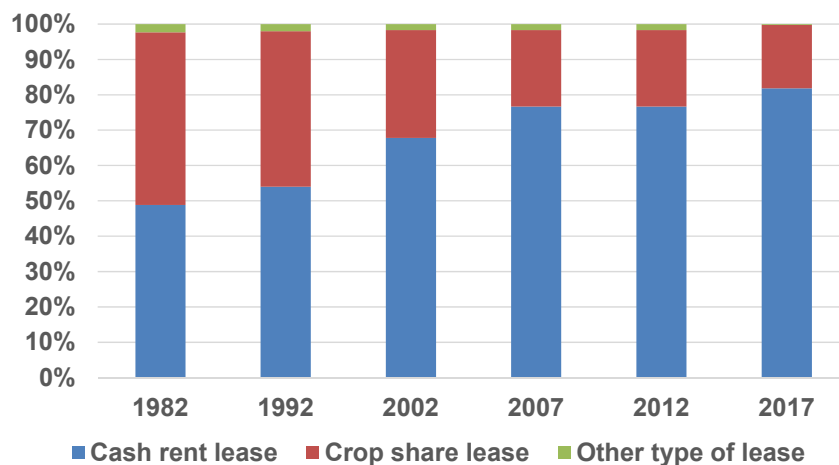
13% by Women 80+ years old



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Distribution of Iowa Leased Farmland by Types of Lease Trends

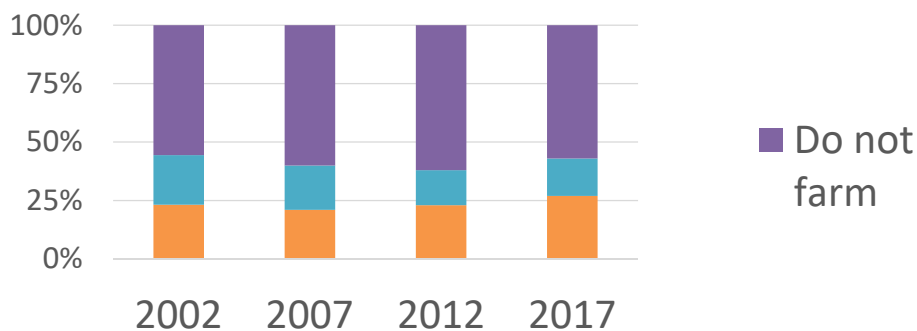


82%
Cash
Rented
(Fixed
&
Flexed)

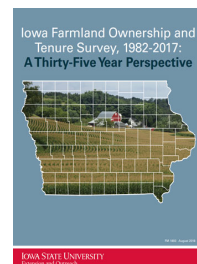
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Percentage of Iowa Farmland by Farming Status of Owner



57% of farmland owners do not farm;
34% of farmland owners have no farming experience



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Improving Landlord-Tenant Communications

- Landlords need to be open to **learning** about current **farm-related issues**, **costs of production**, **market price risks** and **tenant operator financial challenges**
- Tenants need to **listen** for interests and goals of landlords and be willing to **share** information about production & stewardship practices, planted acres, crop inputs, yields and future cropping plans
- **Understand the challenges** that both landlords and tenants face with weather challenges and tight crop profit margins.



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Sharing Agronomic & Stewardship Practices

- **Field Operations**
 - What information would be useful to have annual or permanent records of?
 - What do you need to be able to share with other owners, investors or a future tenant operator?
- **Production Information**
 - Planted records reported on FSA form 578, soil fertility test results and maps, field boundaries along with tile/terrace and drainage maps
 - Yield maps, production evidence tenant provides for crop insurance purposes to determine the farm's Actual Production History (APH) annually
- **Farmland Improvements**
 - Soil/Wind erosion concerns and preventative practices, drainage issues, etc.
- **Management of non-cropped areas**
 - Desirable habitat, weed management practices, general maintenance needs.

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Farmland Lease Annual Report

- Move beyond a written farm lease
- Use an annual report to enhance communications between the landlord and tenant operators
- Provides confidential sharing of mutually beneficial information
- Can be tailored to fit individual wants/needs for the farm
- Provides consistency of information-sharing annually.

File C2-06
June 2017
www.extension.iastate.edu/agdm

Ag Decision Maker

Farmland Lease Annual Report

A Tool to Enhance Communication Between Farmland Owners and Producers

In some Iowa counties, as much as seventy percent of the land is farmed by producers who do not own it. Throughout farm country, there is a steady and increasing number of farmland owner and producer relationships.

There are two particularly common categories of farmland owners. First, there are owners who actively farmed the land in past years, have now retired and are leasing the acres to farm producers. In these relationships, a key consideration is the length of time since the owner was an active farmer. The more years that have lapsed since the owner was involved in active farm production, the more important it is to engage in ongoing communication and education regarding the latest crop technology, production costs and related trends.

Second, there is a growing number of farmland owners who have never been personally involved in farm production. Such owners may have inherited the land (or purchased it as an investment) and now lease it to active farmers. Some of these owners may have never lived on or near the farmland that they now own; in fact, some may have never seen the farmland. These farmland owners have a high learning curve, with much information to absorb regarding farming practices and the economics of crop production. At the same time, tenants must take on increased responsibility for anticipating questions and providing information to the landlord.

Communication is a key challenge for all farmland owners and producers. Farmland owners commonly express frustration that they do not know how their land is being farmed and what it is producing. Tenants may not understand that farmland owners often have a deep desire to

care for by producers. It is to the benefit of both owners and tenants to build relationships and communicate with one another.

Commonly, a farmland leasing agreement may include a provision requiring the operator to provide an annual report to the owner. See, for example paragraph 7(c) of the Iowa Farm Lease Form (AgDM File C2-12), (www.extension.iastate.edu/ohio/ohiofarm/012112.pdf). See also paragraph 10 of the Iowa Cash Rent Farm Lease (Short Form) (AgDM File C2-16), (www.extension.iastate.edu/ohio/ohiofarm/012112.pdf). The Iowa State University Extension and Outreach Farm Management Team, (www.extension.iastate.edu/farmmanagement/), has added an example form for this purpose at the end of this publication, Farmland Lease Annual Report.

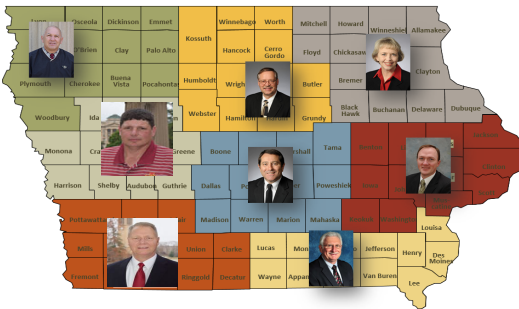
Purpose of the Farmland Lease Annual Report

The purpose of the annual report form is to enhance communication. This report form is intended to provide farm tenants and landowners with a guide for sharing crop information for farmland rental agreements and to aid in communication. It is not intended to take the place of legal advice pertaining to contractual relationships between the parties. The parties can certainly revise or design their own form if changes are desired. However, by using this form, the parties will have a consistent format to share information.

Separate forms can be used for each parcel in a manner that is convenient for the parties. If a form such as this has not been used in the past, the farmland owner and the producer should

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Extension Farm Management Field Specialists



- Northwest: Gary Wright
- West Central: Tim Christensen
- North Central: Kelvin Leibold
- Northeast: Melissa O'Rourke
- Southwest: Patrick Hatting
- Central: Steve Johnson
- East Central: Ryan Drollette
- Southeast: Charles Brown

Ag Decision Maker (AgDM)
An agricultural economics and
business web site.



www.extension.iastate.edu/agdm

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Thank you!

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Additional Resources:

www.extension.iastate.edu/agdm/wdleasing.html

www.extension.iastate.edu/agdm/wholefarm/html/c2-06.html

<https://crops.extension.iastate.edu>

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